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SABINE COUNCIL ON AGING, INC.
Many, Louisiana

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORTS**

June 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-31-01

**SABINE COUNCIL ON AGING, INC.
MANY, LOUISIANA**

**FINANCIAL STATEMENTS AND AUDITORS' REPORTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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**SABINE COUNCIL ON AGING, INC.
MANY, LOUISIANA**

**FINANCIAL STATEMENTS AND AUDITORS' REPORTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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MEMBER
AMERICAN INSTITUTE OF
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MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Sabine Council on Aging, Inc.
Many, Louisiana

We have audited the accompanying general purpose financial statements of Sabine Council on Aging, Inc., (a non-profit, quasi-public organization) as of and for the year ended June 30, 2000. These general purpose financial statements are the responsibility of the **Council's** management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Sabine Council on Aging, Inc., as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2000, on our consideration of the **Council's** internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, and contracts.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Sabine Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Certified Public Accountants

December 19, 2000

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
June 30, 2000 and 1999

	<u>Governmental Fund Types</u>		<u>Account Group</u>		<u>Totals</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	<u>(Memorandum Only)</u>	
					<u>2000</u>	<u>1999</u>
Assets and Other Debits						
Assets						
Cash	\$ 40,381				\$40,381	\$ 31,960
Grant receivable		\$ 3,003			3,003	\$ 5,422
Account receivable	5,403				5,403	-0-
Interfund receivable		2,671			2,671	27,361
Prepaid expenses	5,233				5,233	2,160
Fixed assets			\$ 238,257		238,257	224,798
Other debits						
Amount to be provided to retire long-term debt				\$ 5,327	5,327	6,293
Total assets	<u>\$ 51,017</u>	<u>\$ 5,674</u>	<u>\$ 238,257</u>	<u>\$ 5,327</u>	<u>\$ 300,275</u>	<u>\$ 297,994</u>
Liabilities, Fund Equity, Other Credits						
Liabilities						
Accounts payable	\$ 3,452				\$ 3,452	\$ 1,645
Interfund payable	2,671				2,671	27,361
Accumulated unpaid vacation				\$ 4,191	4,191	4,191
Capital lease obligations payable				1,136	1,136	2,102
Total liabilities	<u>6,123</u>			<u>5,327</u>	<u>11,450</u>	<u>35,299</u>
Fund Equity and Other Credits						
Fund Balances						
Reserved for:						
Utility assistance		\$ 302			302	3,179
Unreserved - undesignated	44,894	5,372			50,266	34,718
Investment in general fixed assets			\$ 238,257		238,257	224,798
Total fund equity and other credits	<u>44,894</u>	<u>5,674</u>	<u>238,257</u>	<u>5,327</u>	<u>288,825</u>	<u>262,695</u>
Total liabilities, fund equity and other credits	<u>\$ 51,017</u>	<u>\$ 5,674</u>	<u>\$ 238,257</u>	<u>\$ 5,327</u>	<u>\$ 300,275</u>	<u>\$ 297,994</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**
For the Year Ended June 30, 2000
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1999

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>	
			<u>2000</u>	<u>1999</u>
Revenues				
Intergovernmental				
Governor's Office of				
Elderly Affairs	\$ 21,779	\$ 258,450	\$ 280,229	\$ 281,726
Rural Development	8,671		8,671	
Sabine Parish Police Jury	10,000		10,000	
Public support:				
Contracted services	91,248		91,248	94,668
General public	<u>37,704</u>	<u>27,115</u>	<u>64,819</u>	<u>51,441</u>
Total revenues	<u>169,402</u>	<u>285,565</u>	<u>454,967</u>	<u>427,835</u>
Expenditures				
Current:				
Salaries	68,038	124,464	192,502	177,271
Fringe	10,430	11,958	22,388	21,469
Travel	1,690	8,700	10,390	10,482
Operating services	37,471	55,499	92,970	92,508
Operating supplies	3,522	26,765	30,287	18,614
Other costs	1,155	6,718	7,873	2,335
Capital outlay	9,115	4,344	13,459	11,681
Meals		71,375	71,375	74,242
Debt service:				
Principal		967	967	
Interest	<u>85</u>		<u>85</u>	
Total expenditures	<u>131,506</u>	<u>310,790</u>	<u>442,296</u>	<u>408,602</u>
Excess (deficiency) of revenues over expenditures	37,896	(25,225)	12,671	19,233
Other financing sources (uses)				
Operating transfers in		71,763	71,763	72,225
Operating transfers out	<u>(25,527)</u>	<u>(46,236)</u>	<u>(71,763)</u>	<u>(72,225)</u>
Total other financing sources (uses)	(25,527)	25,527	-0-	-0-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	12,369	302	12,671	19,233
Fund balance, beginning	<u>32,525</u>	<u>5,372</u>	<u>37,897</u>	<u>18,664</u>
Fund balance, ending	<u>\$ 44,894</u>	<u>\$ 5,674</u>	<u>\$ 50,568</u>	<u>\$ 37,897</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
REVENUES			
Intergovernmental			
Governor's Office of:			
Elderly affairs	\$ 21,779	\$ 21,779	\$ -0-
Rural development		8,671	8,671
Sabine Parish Police Jury	8,428	10,000	1,572
Public support:			
Contracted services	107,155	91,248	(15,907)
General public		<u>37,704</u>	<u>37,704</u>
Total revenues	<u>137,362</u>	<u>169,402</u>	<u>32,040</u>
EXPENDITURES			
Current:			
Salaries	80,059	68,038	12,021
Fringe	8,777	10,430	(1,653)
Travel	2,008	1,690	318
Operating services	13,722	37,471	(23,749)
Operating supplies	1,932	3,522	(1,590)
Other costs	10,174	1,155	9,019
Capital outlay	276	9,115	(8,839)
Meals			
Debt service:			
Principal			
Interest		<u>85</u>	<u>(85)</u>
Total expenditures	<u>116,948</u>	<u>131,506</u>	<u>(14,558)</u>
Excess (deficiency) of revenues over expenditures	20,414	37,896	17,482
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Operating transfers out	<u>(21,779)</u>	<u>(25,527)</u>	<u>(3,748)</u>
Total other financing sources (uses)	<u>(21,779)</u>	<u>(25,527)</u>	<u>(3,748)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,365)	12,369	13,734
Fund balance, beginning	<u>32,525</u>	<u>32,525</u>	<u>-----</u>
Fund balance, ending	<u>\$ 31,160</u>	<u>\$ 44,894</u>	<u>\$ 13,734</u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 SPECIAL REVENUE FUND
 For the Year Ended June 30, 2000**

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
REVENUES			
Intergovernmental			
Governor's Office of			
Elderly Affairs	\$ 256,433	\$ 258,450	\$ 2,017
Rural Development			
Sabine Parish Police Jury			
Public support:			
Contracted services			
General public	<u>25,100</u>	<u>27,115</u>	<u>2,015</u>
Total revenues	<u>281,533</u>	<u>285,565</u>	<u>4,032</u>
EXPENDITURES			
Current:			
Salaries	115,197	124,464	(9,267)
Fringe	12,643	11,958	685
Travel	7,355	8,700	(1,345)
Operating services	62,892	55,499	7,393
Operating supplies	23,184	26,765	(3,581)
Other costs	7,327	6,718	609
Capital outlay	750	4,344	(3,594)
Meals	72,600	71,375	1,225
Debt service:			
Principal		967	(967)
Interest			
Total expenditures	<u>301,948</u>	<u>310,790</u>	<u>(8,842)</u>
Excess (deficiency) of revenues over expenditures	(20,415)	(25,225)	(4,810)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	47,975	71,763	23,788
Operating transfers out	<u>(26,196)</u>	<u>(46,236)</u>	<u>(20,040)</u>
Total other financing sources (uses)	<u>21,779</u>	<u>25,527</u>	<u>3,748</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,364	302	(1,062)
Fund balance, beginning	<u>5,372</u>	<u>5,372</u>	<u>-0-</u>
Fund balance, ending	<u>\$ 6,736</u>	<u>\$ 5,674</u>	<u>\$ (1,062)</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT accounting POLICIES

A. REPORTING ENTITY

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Sabine Council on Aging, Inc. is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the **Council** with most of its revenues. The **Council** also receives revenues from other federal, state, and local government agencies which may impose certain restrictions upon how the **Council** can use the money that they provided.

The **Council** is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the **Council** has presented its financial statements as a separate special-purpose government.

The primary function of the Sabine Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 11 voluntary members who serve three year terms, governs the **Council**.

B. PRESENTATION OF STATEMENTS

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

NOTES TO FINANCIAL STATEMENTS (continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

B. PRESENTATION OF STATEMENTS (continued)

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs and contractors; and, the *Louisiana Governmental Audit Guide*.

C. FUND ACCOUNTING

The accounts of the **Council** are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spend and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories (account groups).

The governmental funds are programs comprising them as presented in the financial statements are as follows:

General Fund

The General Fund is the general operating fund of the **Council**. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source federal, state, or local, form which they are derived.

Medicaid Fund

The Medicaid Fund is funded under an agreement with the Louisiana Department of Health and Hospitals. The elderly Waiver Program provides for case management and home care for the elderly. The **Council** is also paid for transportation services and Medicaid applications by the Department of Health and Hospitals.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

C. FUND ACCOUNTING (continued)

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes.

The following are the funds which comprise the **Council's** Special Revenue Funds:

Title III-C Area Agency Administration Fund

The Title III-C Area Agency Administration Fund is used to account for the Administration of special programs for the aging.

Title III-B Ombudsman Fund

The Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility.

Title III C-1 Fund

Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional home delivered meals to elderly home bound persons.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

C. FUND ACCOUNTING (continued)

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

Senior Center Fund

The Senior Center Fund is used to account for the Administration of Senior Center Programs funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the **Council**. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Title III-D In-Home Services Fund

The Title III-D In-Home Services Fund is used to account for funds which are used to provide in-home services to frail, older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

Energy Assistance Fund

The Energy Assistance Fund is used to account for the administration of a program that is sponsored by local utility companies. The companies collect contributions from service customers and remits these funds to the LACOA. The LACOA in turn "passes through" these funds to the council to provide utility assistance to the elderly.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

C. FUND ACCOUNTING (continued)

Audit Fund

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the **Council's** financial statements.

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meals served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

Miscellaneous Grant Fund

Funded by the Governor's Office of Elderly Affairs, this special purpose grant was made to fund additional program expenses relative to Senior Center operations.

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities including (1) equipment and materials (scales to weigh people, education materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically under served and in which there are a large number of older individuals who have the greatest economic and social need.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

D. Account Groups

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following account group is not a "fund".

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of the Sabine Council on Aging, Inc. are accounted for (capitalized) in the General Fixed Assets Account group and are recorded as expenditures in the appropriate Governmental Fund type when purchases.

E. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenue are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

F. Transfers and Interfund Loans

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts. Short-term interfund loans are classified as interfund receivables or payables.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

G. Budget Policy

The **Council** follows these procedures in establishing the budgetary data reflected in these financial statements.

1. The Governor's Office of Elderly Affairs (GOEA) notifies the **Council** each year as to the funding levels for each program's grant award.
2. The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.
3. The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.
4. The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.
5. All budgetary appropriations lapse at the end of each fiscal year (June 30).
6. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
7. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
8. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
9. The **Council** may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency.
10. Expenditures cannot legally exceed appropriations on an individual fund level.

NOTES TO FINANCIAL STATEMENTS (continued)

**Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000**

II. Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the **Council's** financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclosing would make the statements unduly complex and difficult to read. Total columns on the combined financial statements are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

I. Fixed Assets, Including Property Leased Under Capital Leases

Assets which cost at least \$250 and which have an estimated useful life of greater than 1 year are capitalized as fixed assets. All fixed assets are stated at historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

J. Restricted Assets

Restricted assets represent assets which have been primarily acquired through donations whereby the donor has placed a restriction on how the donation can be used by the **Council** (i.e., utility assistance funds). Restricted assets are offset by a corresponding reservation of the **Council's** fund balance.

K. Reservation and Designations of Fund Balances

The **Council** "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

K. Reservation and Designations of Fund Balances (continued)

Designated allocations of fund balances result when the **Council's** management intends to expend certain resources in a designated manner.

L. Prepaid Expenses

The **Council** has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

M. Management's Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2 REVENUE RECOGNITION - INTERGOVERNMENTAL, PROGRAM SERVICES FEES, PUBLIC SUPPORT, AND MISCELLANEOUS REVENUES

Intergovernmental

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the **Council** to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

Program Service Fees

Program service fees are recognized when the **Council** provides the service that entitles the **Council** to charge the recipient for the services received.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

NOTE 2 REVENUE RECOGNITION - INTERGOVERNMENTAL, PROGRAM SERVICES FEES, PUBLIC SUPPORT, AND MISCELLANEOUS REVENUES
(continued)

Public Support and Miscellaneous Revenues

The **Council** encourages and received contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs. Utility assistance funds are provided from public donations via utility company programs. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior activities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

NOTE 3 CASH IN BANK

At June 30, 2000, the carrying amount of the **Council's** deposits was as follows:

Payroll - checking	\$ 186
Operating - checking	<u>40,194</u>
Cash on deposit in banks	<u>\$ 40,380</u>

The related bank balance (collected deposits) at that date was \$45,419. All the deposits were covered by federal depository insurance. GASB Statement 3 categorizes the credit risk of these deposits as Category 1 because they are fully insured.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2000, consists of the following special revenue programs.

<u>Program</u>	<u>Funding Agency</u>	<u>Amount</u>
USDA	GOEA	\$ 3,003
Medicaid	Department of Health & Hospitals	4,257
General Fund	Public Support	574
Title III-B	Public Support	91
Title C-1	Public Support	192
Title C-2	Public Support	132
Medical Alert	Public Support	112
Energy Assistance	Public Support	<u>45</u>
Total		<u>\$ 8,406</u>

NOTE 5 CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets.

	<u>Balance</u> <u>June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2000</u>
Furniture and Equipment	\$ 47,240	\$ 4,788	\$ -0-	\$ 52,028
Building	25,164	8,671		33,835
Automotive Equipment	<u>152,394</u>	<u> </u>	<u> </u>	<u>152,394</u>
Total General Fixed Assets	<u>\$ 224,798</u>	<u>\$ 13,459</u>	<u>\$ -0-</u>	<u>\$ 238,257</u>

These additions reflect increases resulting from a physical inventory of all assets acquired prior to June 30, 2000, including assets acquired in prior fiscal years.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

NOTE 6 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for travel expenses incurred in accordance with the **Council's** travel policies.

NOTE 7 INCOME TAX STATUS

The **Council**, a non-profit corporation, is exempt from federal income taxes under Section 501 (C) (3) of the Internal Revenue Code.

NOTE 8 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the **Council** at June 30, 2000. Furthermore, the **Council's** management believes that any potential lawsuits would be adequately covered by insurance.

The **Council** receives revenue from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies.

Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the grantor and the **Council**. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the **Council's** financial position.

NOTE 9 ECONOMIC DEPENDENCY

The **Council** receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the **Council** receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the **Council** will receive in the next fiscal year.

NOTES TO FINANCIAL STATEMENTS
(continued)

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 2000

NOTE 10 INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for 2000:

Funds	<u>Funds Transferred Out</u>						<u>Total</u>
	<u>Local</u>	<u>Act 735</u>	<u>USDA</u>	<u>III-D</u>	<u>Misc Grant</u>	<u>Center</u>	
<u>Transferred In</u>							
Area Agency Admin				\$51		\$ 986	\$ 1,037
Title III-B Services						25,210	25,210
Title III-C-1	\$3,748	\$2,252			\$3,158		9,158
Title III C-2		19,527	\$15,482				35,009
Title III-F					\$772		772
Ombudsman				7	570		577
Total	<u>\$3,748</u>	<u>\$21,779</u>	<u>\$15,482</u>	<u>\$58</u>	<u>\$4,500</u>	<u>\$26,196</u>	<u>\$71,763</u>

NOTE 11 CAPITAL LEASE

The Sabine Council on Aging, Inc. acquired a copier under the provisions of a long-term lease. For financial reporting purposes, minimum lease payments relating to the copier have been capitalized. The lease expires in August 2001. The leased property under capital lease as of June 30, 2000, has a cost of \$3,892.

The future minimum lease payments under the capital lease and the net present value of the future minimum lease payments at June 30, 2000 are as follows:

Total minimum lease payments	\$ 1,226
Less amount representing interest	<u>(91)</u>
Present value of net minimum lease payments	<u>\$ 1,135</u>
Current maturities of capital lease - 2001	963
2002	172

ADDITIONAL INFORMATION

SCHEDULE 1

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

**COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL FUND
For the Year Ended June 30, 2000**

	<u>Local</u>	<u>Act 735</u>	<u>Medicaid</u>	<u>Totals</u>
Revenues				
Intergovernmental				
Governor's office of:				
Elderly Affairs		\$ 21,779		\$ 21,779
Rural development	\$ 8,671			8,671
Sabine Parish Police Jury	10,000			10,000
Public support:				
Contracted services			\$ 91,248	91,248
General public	<u>37,704</u>			<u>37,704</u>
Total revenues	<u>\$ 56,375</u>	<u>\$ 21,779</u>	<u>\$ 91,248</u>	<u>\$ 169,402</u>
Expenditures				
Current:				
Salaries			\$ 68,038	\$ 68,038
Fringe benefits			10,430	10,430
Travels			1,690	1,690
Operating services	\$ 31,786		5,685	37,471
Operating supplies	1,796		1,726	3,522
Other costs	907		248	1,155
Capital outlay	8,671		444	9,115
Debt service:				
Interest	85			85
Meals programs				
Total expenditures	<u>\$ 43,245</u>	<u>\$ -0-</u>	<u>\$ 88,261</u>	<u>\$ 131,506</u>
Excess (deficiency) of				
revenues over expenditures	13,130	21,779	2,987	37,896
Other financing sources (uses)				
Operating transfers in				
Operating transfers out	<u>(3,748)</u>	<u>(21,779)</u>		<u>(25,527)</u>
Total other financing				
sources (uses)	(3,748)	(21,779)		(25,527)
Excess (deficiency) of revenues				
and other sources over				
expenditures and other uses	9,382		2,987	12,369
Fund balance, beginning	<u>13,715</u>	<u>-0-</u>	<u>18,810</u>	<u>32,525</u>
Fund balance, ending	<u>\$ 23,097</u>	<u>\$ -0-</u>	<u>\$ 21,797</u>	<u>\$ 44,894</u>

The accompanying notes are an integral part of this statement.

SCHEDULE 2

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2000

	Title III-B Supportive Services	Title III-B Ombudsman	Area Agency Admin	Title III C-1	Title III C-2	Senior Center	Title III-D In-Home Services	Energy Assistance
Revenues								
Intergovernmental								
Governor's Office of								
Elderly Affairs	\$ 80,460	\$ 6,253	\$ 18,740	\$ 59,301	\$ 40,751	\$ 26,196	\$ 2,086	\$ -0-
Public support:								
Contracted services	9,507			9,591	7,490			527
General public	89,967	6,253	18,740	68,892	48,241	26,196	2,086	527
Total Revenues								
Expenditures								
Current:								
Salaries	55,401	4,686	7,936	30,735	22,140		718	
Fringe	6,680	295	701	2,067	1,815		133	
Travel	5,551	1,171	289	573	979		114	
Operating services	26,794	430	8,104	6,558	10,899		811	225
Operating supplies	18,522	55	1,040	846	6,123		96	
Other costs	539	21	413	700	4,502		38	
Capital outlay	1,410	56	1,081	874	785		99	
Debt service:								
Principal	280	116	213	174	155		19	
Meals programs				35,523	35,852			
Total expenditures	115,177	6,830	19,777	78,050	83,250	-0-	2,028	225

SCHEDULE 2 (continued)

Excess (deficiency) of revenues over expenditures	(25,210)	(577)	(1,037)	(9,158)	(35,009)	26,196	2,028	225
Other financing sources (uses)								
Operating transfers in	25,210	577	1,037	9,158	35,009			
Operating transfers out						(26,196)	(58)	
Total other financing sources (uses)	<u>25,210</u>	<u>577</u>	<u>1,037</u>	<u>9,158</u>	<u>35,009</u>	<u>(26,196)</u>	<u>(58)</u>	
Excess (deficiency) of revenues and other sources over expenditures and other uses	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fund balance, beginning	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balance, ending	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 302</u>

The accompanying notes are an integral part of this statement.

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2000

	Audit	USDA	Supplemental Senior Center	Title III-F	Totals
Revenues					
Intergovernmental					
Governor's Office of					
Elderly Affairs	\$ 1,365	\$ 15,482	\$ 4,500	\$ 3,316	\$ 258,450
Public support:					
Contracted services					
Public support					27,115
Total Revenues	<u>1,365</u>	<u>15,482</u>	<u>4,500</u>	<u>3,316</u>	<u>258,565</u>
Expenditures					
Current:					
Salaries				2,848	124,464
Fringe				267	11,958
Travel				23	8,700
Operating services				313	55,499
Operating supplies	1,365			83	26,765
Other costs				505	6,718
Capital outlay				39	4,344
Debt service:					
Principal				10	967
Meals					71,375
Total expenditures	<u>1,365</u>	<u>-0-</u>	<u>-0-</u>	<u>4,088</u>	<u>310,790</u>

SCHEDULE 2 (continued)

Excess (deficiency) of revenues over expenditures	-0-	15,482	4,500	(772)	(25,225)
Other financing sources (uses)					
Operating transfers in				772	71,763
Operating transfers out		(15,482)	(4,500)		(46,236)
Total other financing sources (uses)		(15,482)	(4,500)	772	(46,236)
Excess (deficiency) of revenues and other sources over expenditures and other uses	-0-	-0-	-0-	-0-	302
Fund balance, beginning	-0-	5,372			5,372
Fund balance, ending	\$ -0-	\$ 5,372	\$ -0-	\$ -0-	\$ 5,674

The accompanying notes are an integral part of this statement.

SCHEDULE 3

**SABINE COUNCIL ON AGING, INC.
Many, Louisiana**

**STATEMENT EXPENDITURES BUDGET VS. ACTUAL
For the Year Ended June 30, 2000**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>State of Louisiana - ACT 735</u>			
Transfers:			
Ombudsman	\$ 470		\$ 470
Title III-F	289		289
Title III C-1		\$ 2,252	(2,252)
Title III C-2	11,767	19,527	(7,760)
Area Agency Administration	2,769		2,769
Title III-D	820		820
Title III-B	5,664		5,664
Totals	<u>\$ 21,779</u>	<u>\$ 21,779</u>	<u>\$ -0-</u>
<u>TITLE III-C ADMINISTRATION</u>			
Salaries	\$ 8,704	\$ 7,936	\$ 768
Fringe	958	701	257
Travel	278	289	(11)
Operating services	10,091	8,104	1,987
Operating supplies	690	1,040	(350)
Other costs	559	413	146
Capital outlay	229	1,081	(852)
Debt service:			
Principal		213	(213)
Totals	<u>\$ 21,509</u>	<u>\$ 19,777</u>	<u>\$ 1,732</u>
<u>TITLE III C-B OMBUDSMAN</u>			
Salaries	\$ 4,850	\$ 4,686	\$ 164
Fringe	532	295	237
Travel	309	1,171	(862)
Operating services	739	430	309
Operating supplies	51	55	(4)
Other costs	41	21	20
Capital outlay	17	56	(39)
Debt service:			
Principal		116	(116)
Totals	<u>\$ 6,539</u>	<u>\$ 6,830</u>	<u>\$ (291)</u>

SCHEDULE 3 (continued)

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

SCHEDULE OF PROGRAM EXPENDITURES BUDGET VS. ACTUAL
For the Year Ended June 30, 2000

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>SENIOR CENTER</u>			
Transfers:			
III-B Services	\$ 26,196	\$ 25,210	\$ 986
AAA		986	(986)
Totals	<u>\$ 26,196</u>	<u>\$ 26,196</u>	<u>\$ -0-</u>
<u>TITLE III-C-1 CONGREGATE MEALS</u>			
Salaries	\$ 29,090	\$ 30,735	\$ (1,645)
Fringe	3,190	2,067	1,123
Travel	402	573	(171)
Operating services	4,245	6,558	(2,313)
Operating supplies	290	846	(556)
Meals	35,400	35,523	(123)
Other costs	235	700	(465)
Capital outlay	97	874	(777)
Debt service:			
Principal		174	(174)
Totals	<u>\$ 72,949</u>	<u>\$ 78,050</u>	<u>\$ (5,101)</u>
<u>TITLE III-C-2 HOME DELIVERED</u>			
Salaries	\$ 16,504	\$ 22,140	\$ (5,636)
Fringe	1,810	1,815	(5)
Travel	554	979	(425)
Operating services	10,141	10,899	(758)
Operating supplies	4,669	6,123	(1,454)
Meals	37,200	35,852	1,348
Other costs	2,813	4,502	(1,689)
Capital outlay	86	785	(699)
Debt service:			
Principal		155	(155)
Totals	<u>\$ 73,777</u>	<u>\$ 83,250</u>	<u>\$ (9,473)</u>

SCHEDULE 3 (continued)

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

SCHEDULE OF PROGRAM EXPENDITURES BUDGET VS. ACTUAL
For the Year Ended June 30, 2000

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>TITLE III-B SUPPORTIVE SERVICES</u>			
Salaries	\$ 51,025	\$ 55,401	\$ (4,376)
Fringe	5,602	6,680	(1,078)
Travel	5,721	5,551	170
Operating services	36,939	26,794	10,145
Operating supplies	17,434	18,522	(1,088)
Other costs	3,638	539	3,099
Capital outlay	303	1,410	(1,107)
Debt service:			
Principal		280	(280)
Totals	<u>\$ 120,662</u>	<u>\$ 115,177</u>	<u>\$ 5,485</u>
<u>TITLE III-D IN-HOME SERVICES</u>			
Salaries	\$ 2,271	\$ 718	\$ 1,553
Fringe	249	133	116
Travel	9	114	(105)
Operating services	329	811	(482)
Operating supplies	22	96	(74)
Other costs	18	38	(20)
Capital outlay	8	99	(91)
Debt service:			
Principal		19	(19)
Totals	<u>\$ 2,906</u>	<u>\$ 2,028</u>	<u>\$ 878</u>
<u>AUDIT ALLOTMENT</u>			
Operating services	\$ 1,365	\$ 1,365	\$ -0-
Totals	<u>\$ 1,365</u>	<u>\$ 1,365</u>	<u>\$ -0-</u>
<u>USDA</u>			
Transfers to Title III C-1	\$ 4,249	\$ -0-	\$ 4,249
Transfers to Title III C-2	9,400	15,482	(6,082)
Totals	<u>\$ 13,649</u>	<u>\$ 15,482</u>	<u>\$ (1,833)</u>

SCHEDULE 3 (continued)

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

SCHEDULE OF PROGRAM EXPENDITURES BUDGET VS. ACTUAL
For the Year Ended June 30, 2000

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>MEDICAID PROGRAMS</u>			
Salaries	\$ 80,059	\$ 68,038	\$ 12,021
Fringe	8,777	10,430	(1,653)
Travel	2,008	1,690	318
Operating services	13,722	5,685	8,037
Operating supplies	1,932	1,726	206
Other costs	10,174	248	9,926
Capital outlay	<u>276</u>	<u>444</u>	<u>(168)</u>
Totals	<u>\$ 116,948</u>	<u>\$ 88,261</u>	<u>\$ 28,687</u>
<u>TITLE III-F</u>			
Salaries	\$ 2,753	\$ 2,848	\$ (95)
Fringe	303	267	36
Travel	82	23	59
Operating services	408	313	95
Operating supplies	28	83	(55)
Other costs	23	505	(482)
Capital outlay	8	39	(31)
Debt service:			
Principal		<u>10</u>	<u>(10)</u>
Totals	<u>\$ 3,605</u>	<u>\$ 4,088</u>	<u>\$ (483)</u>
<u>ENERGY ASSISTANCE</u>			
Operating services	\$ -0-	\$ 225	(225)
Totals	<u>\$ -0-</u>	<u>\$ 225</u>	<u>\$ (225)</u>
<u>MISC. GRANT</u>			
Transfer - III C-1	\$ 0-	\$ 3,158	\$ (3,158)
III C-2	4,500	-0-	4,500
III-F		772	(772)
III-B Ombudsman		<u>570</u>	<u>(570)</u>
Totals	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

SCHEDULE OF PRIORITY SERVICES
TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES
For the Year Ended June 30, 2000

ACCESS (30%)	Assisted Transportation	\$ -0-		
	Case Management	8,142		
	Transportation	74,657		
	Information & Assistance	1,508		
	Outreach	<u>8,902</u>		
	Total Access Expenses		\$ <u>93,209</u>	164.24%
IN-HOME (15%)	Homemaker	\$ 19,068		
	Chore	-0-		
	Telephoning	-0-		
	Visiting	-0-		
	Adult/Daycare/Health	-0-		
	Personal care	<u>-0-</u>		
	Total In-Home Expenses		\$ <u>19,068</u>	33.6%
LEGAL (5%)	Legal assistance		\$ <u>2,900</u>	5.1%
NON PRIORITY SERVICES				
TOTAL III-B SUPPORTIVE SERVICE EXPENDITURES			\$ 115,177	
	Less: Participant contributions		(9,507)	
	Public support		-0-	
	Transfers in		<u>(25,210)</u>	
III-B SUPPORTIVE SERVICES CONTRACT			\$ 80,460	
	Less: State Homemaker and State Transportation		(23,707)	
Original Grant Amount			\$ <u><u>56,753</u></u>	

SABINE COUNCIL ON AGING, INC.
Many, Louisiana

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
(With Comparative Totals)
For the Year Ended June 30, 2000

	Balance June 30, <u>1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2000</u>
General fixed assets at cost:				
Vans	\$ 152,394	\$ -0-	\$ -0-	\$ 152,394
Furniture and equipment	47,240	4,788		52,028
Building	<u>25,164</u>	<u>8,671</u>	<u> </u>	<u>33,835</u>
Total general fixed assets	<u>\$ 224,798</u>	<u>\$ 13,459</u>	<u>\$ -0-</u>	<u>\$ 238,257</u>
Investment in general fixed assets				
Property acquired from:				
Medicaid Programs	\$ -0-	\$ 444	\$ -0-	\$ 444
Title III B Ombudsman	229	56		285
Title III F	228	39		267
Title III C-1	5,186	874		6,060
Title III C-2	3,884	785		4,669
Senior Center	2,924			2,924
PCOA (Act 735)	2,513			2,513
General Funds	22,301			22,301
Title III G	400			400
Title III B Supportive	15,758	1,410		17,168
Donations	19,650			19,650
All funds	15,298			15,298
Title III C Admin	5,255	1,081		6,336
Title III D	457	99		556
Misc. Grants	<u>130,715</u>	<u>8,671</u>	<u> </u>	<u>139,386</u>
Total investments in General fixed assets	<u>\$ 224,798</u>	<u>\$ 13,459</u>	<u>\$ -0-</u>	<u>\$ 238,257</u>

**OTHER REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Sabine Council on Aging, Inc.

We have audited the financial statements of the Sabine Council on Aging, Inc. as of June 30, 2000, and have issued our report thereon dated December 19, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Sabine Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sabine Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over financial reporting that, in our judgement, could adversely affect Sabine Council on Aging, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 00-1 and 00-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 00-1 and 00-2 to be a material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Dauzat, Beall & Debevec, CPAs, APC
Certified Public Accountants
December 19, 2000

SABINE COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2000

We have audited the financial statements of the Sabine Council on Aging, Inc. as of and for the year ended June 30, 2000, and have issued our report thereon dated December 19, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of and for the year ended June 30, 2000 resulted in an unqualified opinion.

Section 1-Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal control

Material Weaknesses ☒ Yes ☐ No

Reportable Conditions ☒ Yes ☐ No

Compliance

Non Compliance Material to Financial Statements ☐ Yes ☒ No

Section II-Financial Statement Findings

Reportable Conditions

00-1 Manual General Ledger

Condition:

The Sabine Council on Aging, Inc.'s manual accounting system does not have sufficient controls to ensure that all transactions are accurately recorded into the general ledger. Total expenditures per the general ledger did not agree to the disbursements from the check register. Material adjustments had to be made to reconcile the general ledger to the check register. The potential effect is inaccurate financial reporting to funding sources.

Recommendation:

We recommend that the Council establish the necessary controls to ensure that all transactions are properly recorded in the general ledger.

00-2 Payroll Tax Reports

- Condition:** We noted that the total wages per Form 941, quarterly payroll tax return, did not agree to total wages per the general ledger. Procedures are not in place to ensure that total wages for payroll tax reporting agrees to those recorded in the accounting records. The effect is an over or under reporting of payroll taxes.
- Recommendation:** We recommend that the Council establish procedures to reconcile wages for both payroll tax and financial reporting.

SABINE COUNCIL ON AGING, INC.
SUMMARY OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 1999

The audit finding regarding the audit report not being submitted within the required deadlines has been corrected.

SABINE COUNCIL ON AGING, INC.
Alexandria, Louisiana

CORRECTIVE ACTION PLAN

Number

- | | |
|------|---|
| 00-1 | We will develop procedures to ensure that all transactions are properly recorded in the general ledger. |
| 00-2 | We will develop procedures to ensure that wages are properly reconciled between the accounting records and the payroll tax reports. |

Name of Contact Person: Frankie McBryde, Executive Director

Date: December 19, 2000